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DE RUEHAC #0503/01 1321428 ZNY SSSSS ZZH P 121428Z MAY 06 FM AMEMBASSY ASUNCION TO RUEHC/SECSTATE WASHDC PRIORITY 4240 INFO RUCNMER/MERCOSUR COLLECTIVE RUEHBO/AMEMBASSY BOGOTA 0509 RUEHCV/AMEMBASSY CARACAS 0305 RUEHMD/AMEMBASSY MADRID 0124 RUEHZP/AMEMBASSY PANAMA 0092 RUEHQT/AMEMBASSY QUITO 0222 RUEHSG/AMEMBASSY SANTIAGO 2609 RUEHNR/AMEMBASSY NAIROBI 0230 RUEHUB/USINT HAVANA 0151 RUMIAAA/USCINCSO MIAMI FL//SCJ3/SCJ33/SCJ34/SOCSO LNO// RHEHNSC/WHITE HOUSE NSC WASHDC RUEKJCS/JOINT STAFF WASHDC RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDC RUCNFB/FBI WASHDC

S E C R E T ASUNCION 000503

SIPDIS

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STATE FOR DS/IP/WHA AND DS/DSS/ITA STATE PASS TO USAID LAC/AA POSTS FOR RSO SOUTHCOM FOR POLAD BARBARA MOORE NSC FOR SUE CRONIN JOINT STAFF FOR J5 LTC SCOTT DAVIS NAIROBI FOR MICHAEL FITZPATRICK

E.O. 12958: DECL: 05/12/2016

TAGS: PREL PGOV PTER PINR MARR MASS PA CO VE CU SUBJECT: PARAGUAY'S INCIPIENT INSURGENCY: A KEY MOMENT FOR U.S. ENGAGEMENT

REF: A. ASUNCION 404

¶B. ASUNCION 264

¶C. ASUNCION 210 AND PRECEDING

1D. 05 ASUNCION 1325 AND PRECEDING

¶E. 05 ASUNCION 1119 AND PRECEDING

<u>¶</u>F. 05 ASUNCION 1101

Classified By: PolOff Mark A. Stamilio, reasons 1.4(b), (c) and (d)

Summary

11. (C) The involvement of militant members of the leftist Free Fatherland Party (Partido Patria Libre, or PPL) in two high-profile kidnappings (refs D and E), the murders of two policemen (refs C and F), and an assault on a rural police station (ref A) are evidence of a small militant leftist movement in Paraguay. The revelations of a self-described former PPL member who surrendered to authorities on May 1 could provide further insight into the armed group's size, composition, capabilities, objectives, and foreign (including FARC) ties. There are indications that Venezuela and Cuba are playing a role in fomenting radical leftist ideology in the Paraguayan countryside. The GOP's response to the apparent guerrilla-like threat has been mixed and constrained by the lack of a plan and resources. While the situation calls for serious attention, we do not believe the GOP is immediately threatened by a widespread insurgency. However, given the newness and fragility of Paraguay's democracy, and a weak economy and deep poverty, this incipient insurgency is another potential source of instability. The GOP seems to be awakening to the threat, both due to PPL activities and the regional context, including Venezuelan and Cuban actions in Bolivia. It behooves the U.S. both to consider ways to provide tailored assistance to address the militant threat

and to engage Paraguay politically and economically to strengthen increasing concerns about Venezuela and Cuba. End Summary.

The Leftist PPL's Militant Activity

-----12. (SBU) The investigation of the 2004 kidnapping and subsequent murder of Cecilia Cubas (ref D) pinned responsibility on militant members of the leftist Free Fatherland Party (Partido Patria Libre, or PPL) for that crime and the 2001 kidnapping of Maria Edith Bordon de Debernardi (ref E). Email traffic between the PPL leader who masterminded the Cubas kidnapping and FARC leader Rodrigo Granda established solid evidence of FARC involvement in PPL activities. More recently, witnesses identified PPL members as the assailants in the ambush-style murders of rural policemen in the Department of Canindeyu in August (ref F) and the Department of Concepcion in February (ref C), and an armed assault on a rural police station in Concepcion in April (ref A). The assailants in both ambushes and the assault on the police station were heavily armed and dressed in camouflage battle fatigues. Some were equipped with sophisticated body armor. The February murder followed the arrests of several PPL members who were transporting explosives, ammunition, equipment, and supplies under the cover of a small campesino organization based in northern San Pedro Department and known as the Northern Campesino Organization (Organizacion Campesina del Norte, or OCN).

Revelations of an Apparent PPL Member

- 13. (S) On May 1, Ruben Dario Bernal, a 26-year-old PPL member, surrendered to Paraguayan authorities in the Department of Concepcion. He was wearing camouflage fatigues and carrying a .762-caliber rifle and a 9mm pistol when he surrendered. He claims he surrendered because he feared other members of the armed PPL faction were going to kill him.
- ¶4. (S) Bernal is cooperating with authorities. He informed them that the armed faction's leader is Osvaldo Villalba, brother of Carmen Villalba, a PPL militant incarcerated for her role in the Debernardi kidnapping, and that the faction's members include Manuel Cristaldo Mieres and Magna Meza, PPL members involved in the Cubas kidnapping and murder. He confessed that the faction was responsible for the murders of the policemen in Canindeyu and Concepcion, and the April assault on the Concepcion police station. Additionally, he provided authorities information that led them to a cache of explosives near where the assault on the police station occurred.
- 15. (S) Bernal told authorities that the armed faction is capable of mobilizing approximately 150 people, and that their arsenal includes bazookas, anti-aircraft rocket launchers, and grenades. He said they are well trained and preparing an attack on a military detachment or base. He reported that Colombian-national FARC members are training them in Paraguay on a regular basis. Their training includes indoctrination in radical ideology, and the group's members advocate "the armed struggle against the imperialism that oppresses socialist ideas."
- 16. (S) Comment: Questions have been raised about Bernal's motives and bona fides, and Post is following his debriefing very closely. He appears credible and well informed about PPL activities. EmbOffs have confirmed that members of the FARC are involved in training the militant PPL faction in Paraguay, and we and the GOP are energetically following up leads from Bernal, who has confirmed information obtained from others. End Comment.

Other Foreign Involvement

training PPL militants, there are indications that Venezuela and Cuba are playing a role in fomenting radical leftist ideology in the Paraguayan countryside. Sensitive reporting indicates Venezuela has provided PPL members with political training, and paid for PPL members to travel to Venezuela and then cross the border into Colombia for FARC training. Additionally, evidence recovered in searches of PPL members' belongings revealed that unknown parties in Venezuela wired at least USD 90,000 to the PPL's military wing (ref B). A portion of the money was used to buy the explosives seized in Concepcion in February. Anecdotal evidence and the presence of Cuban doctors in areas of greatest unrest suggest that Cuba could also be fomenting radicalism.

The GOP's Mixed Response

18. (SBU) The GOP's response to the apparent guerrilla-like threat has been mixed. Military Forces Commander General Kanazawa attributes the violence in the countryside to armed bandits, as opposed to an incipient guerrilla movement. Meanwhile, Attorney General Candia is convinced Paraguay faces a movement armed, trained, and set upon overthrowing the government. A number of lower-ranking military

commanders and the police share Candia's concern about the threat Paraguay faces in the interior and its ill preparedness in meeting that threat.

- 19. (C) The GOP deployed military and police to Canindeyu and Concepcion in response to the murders and police station assault, but those deployments produced little in the way of results beyond merely following the assailants' already cold trails. A general lack of resources -- such as reconnaissance aircraft, fuel, and food for deployed personnel -- and a lack of familiarity with the terrain has hampered GOP efforts. The GOP does not appear to have a long-term plan for dealing with the threat.
- 110. (C) The GOP's ineffective response and the security forces' history of corruption and incompetence has left the public skeptical about the gravity of the threat. Some are suspicious that the government is concocting, or at least exaggerating, the threat to divert attention from the country's other problems. Others claim it is a pretext for requesting additional resources for the military at a time when the uniformed services are under attack for supposedly threatening opposition members of Congress for blocking a vote on military promotions in December. Most consider general public security to be a higher priority for the police and military than fighting a violent but relatively small and isolated militant leftist movement.

The U.S. Role

111. (C) This situation represents an opportunity for the U.S. to curb Venezuelan and Cuban influence in the region by providing the GOP tailored assistance to address the militant threat. Vice President Castiglioni has appealed for our assistance. In reply, we should stress the need for the GOP to respond to the threat sooner rather than later by acquiring resources, particularly in the way of weapons it will need to meet this threat. We should also leverage the GOP's request for our assistance to shore up support for continued approval of U.S.-Paraguayan military exercises and protections for U.S. military personnel who participate in those exercises. It is possible that personnel and other resources present in Paraguay for such exercises could assist the GOP with efforts to locate and apprehend members of the militant PPL faction believed to be hiding in remote, generally inaccessible areas of the country. Combined with events in Bolivia, the increasingly public PPL threat may also deepen GOP distrust of Venezuela and Cuba. Increased U.S. political and economic engagement could consolidate and accelerate this trend.

Comment: Threat Real but Incipient

112. (C) An effort is under way, with foreign backing, to establish a militant leftist movement in Paraguay, but we should be careful not to exaggerate the threat. Paraguay does not have a long history of radical leftist activity, and the PPL's military wing, while violent, is relatively small and isolated in pockets of the countryside. Post does not see a revolution in Paraguay's immediate future. On the other hand, we need to begin exploring ways to help the GOP deal with the threat that does exist, and consider ways such assistance might advance U.S. interests in curbing Venezuelan and Cuban influence and fostering the strong military-to-military relations we have enjoyed in Paraguay for many years. Post is seeking increased direct assistance

for the GOP for pursuing the PPL through DoD and other channels. In addition, Department should seek ways to increase political and economic engagement with the GOP to consolidate and accelerate growing GOP suspicions of Venezuela and Cuba.

JOHNSON